



CITY OF HAYWARD AGENDA REPORT

AGENDA DATE 10-6-98

AGENDA. ITEM 8

WORK SESSION ITEM

To: Mayor and City Council
Redevelopment Agency Board Members

From: City Manager

Subject: **REQUEST FOR PROPOSALS FOR AN OFFICE AND RESIDENTIAL MIXED-USE DEVELOPMENT ON SITE II ADJACENT TO THE CIVIC CENTER AND TERMINATION OF THE RESIDENTIAL PORTIONS OF THE EXISTING DEVELOPMENT AGREEMENT WITH HAYWARD CITY CENTER COMPANY, LLC IN CONJUNCTION WITH THE SITE**

Recommendation:

It is recommended that the Council and Agency take the following actions:

- A. Authorize the City Manager to circulate a Request for Proposals (RFP) for an office and residential mixed-use development on Site II; and,
- B. Terminate the residential portions of the existing Development Agreement with Hayward City Center Company, LLC for the Site II residential development.

Background/Discussion:

The master planning effort for the civic center block (Site II) included several components. The plan for Site II included:

- ❑ a new city hall and civic plaza;
- ❑ residential to be located south of the civic plaza; and
- ❑ office or a second civic building to the west of the new city hall.

The new city hall and civic plaza are complete. In order to implement the development of the remainder of Site II, staff proposes the circulation of an RFP to the development community or ascertain interest in the site.

If there is development interest in the Site, staff could ultimately recommend to the Redevelopment Agency (Agency) a development team for which to commence exclusive negotiations for the development of the site. As with most **RFPs**, the Agency would not be bound to move forward with any of the proposals or development teams for any reason.

Given the various planning documents that speak to development in the Downtown, the density **associated** with the residential component is expected to be similar to that which has

occurred at Atherton Place and the Lincoln property at D Street and Grand Avenue. With respect to building heights, the planning documents allow commercial and residential heights to 55 feet and 0 to 4 foot for setbacks.

With the approval of the Agency, it is expected that the RFP would be circulated during October – November, and a recommendation to the Agency in early 1999.

KEY ELEMENTS OF THE RFP

I. DESIRED DEVELOPMENT

- A. The Agency would be seeking a development that will:
 - 1. benefit by being adjacent to the BART station;
 - 2. provide balance between daytime and nighttime activities; and
 - 3. stimulate pedestrian-oriented uses that complement existing commercial uses in the downtown.
- B. The Agency seeks to include the following components in the development:
 - 1. an architecturally distinguished office building sited between the BART station and city hall;
 - 2. market-rate, ownership housing in harmony with existing residential and commercial development in the area;
 - 3. buildings which are oriented toward the surrounding streets and the new city hall;
 - 4. underground parking and/or agreements with BART or the City for accommodating increased parking demand in their structures; and
 - 5. building heights that respect the new city hall as the focal point of the area.

II. ZONING, PLANNING AND ENVIRONMENTAL CONSIDERATIONS

The site is within the Central City District, the purpose of which is to promote the development of the downtown area as the central area of the city for business, governmental, cultural, financial, residential, **office**, and entertainment uses. The Council adopted Core Area Plan and Downtown Design Plan also applies to the site.

III. SUBMISSION REQUIREMENTS

- ❑ Developer identification, experience and financial capacity;
- ❑ Narrative description of the development with site plan and renderings;
- ❑ A Financial offering; and
- ❑ A Schedule of Performance.

On September 21, 1998, the key elements of the proposed RFP were reviewed with Council Downtown Committee. The committee agreed that an RFP should be circulated and that staff include in the RFP the request that the Agency receive full value for the land which will be acquired for the future development.

The only public comment was that the design and site plan for a future development should be compatible with that of the new civic plaza and city hall. And, further that perhaps a portion of the site could be reserved for a future public use or building.

Finally, in order to proceed with the recommendation to circulate the RFP, the action described below is necessary.

Termination of the Residential Portion of Site II Development Agreement

When Council adopted the Development Agreement on April 9, 1996, for the implementation of the Civic Center project, the Agreement included a provision for the development of residential adjacent to the Civic Plaza. The Agreement set forth a schedule for the Agency to convey the site to Hayward City Center Company (HCCC) to construct the residential.

The Development Agreement anticipated the Agency acquiring and conveying the property needed for the residential development by July of this year. The Agency has not concluded its negotiations on the acquisition of the parcel. Therefore, HCCC has requested termination of the residential portions of the Development Agreement and Agency staff is in agreement with this request.

Prepared by:

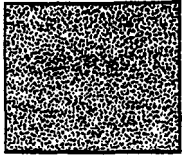


Gordon R. Anderson
Assistant City Manager

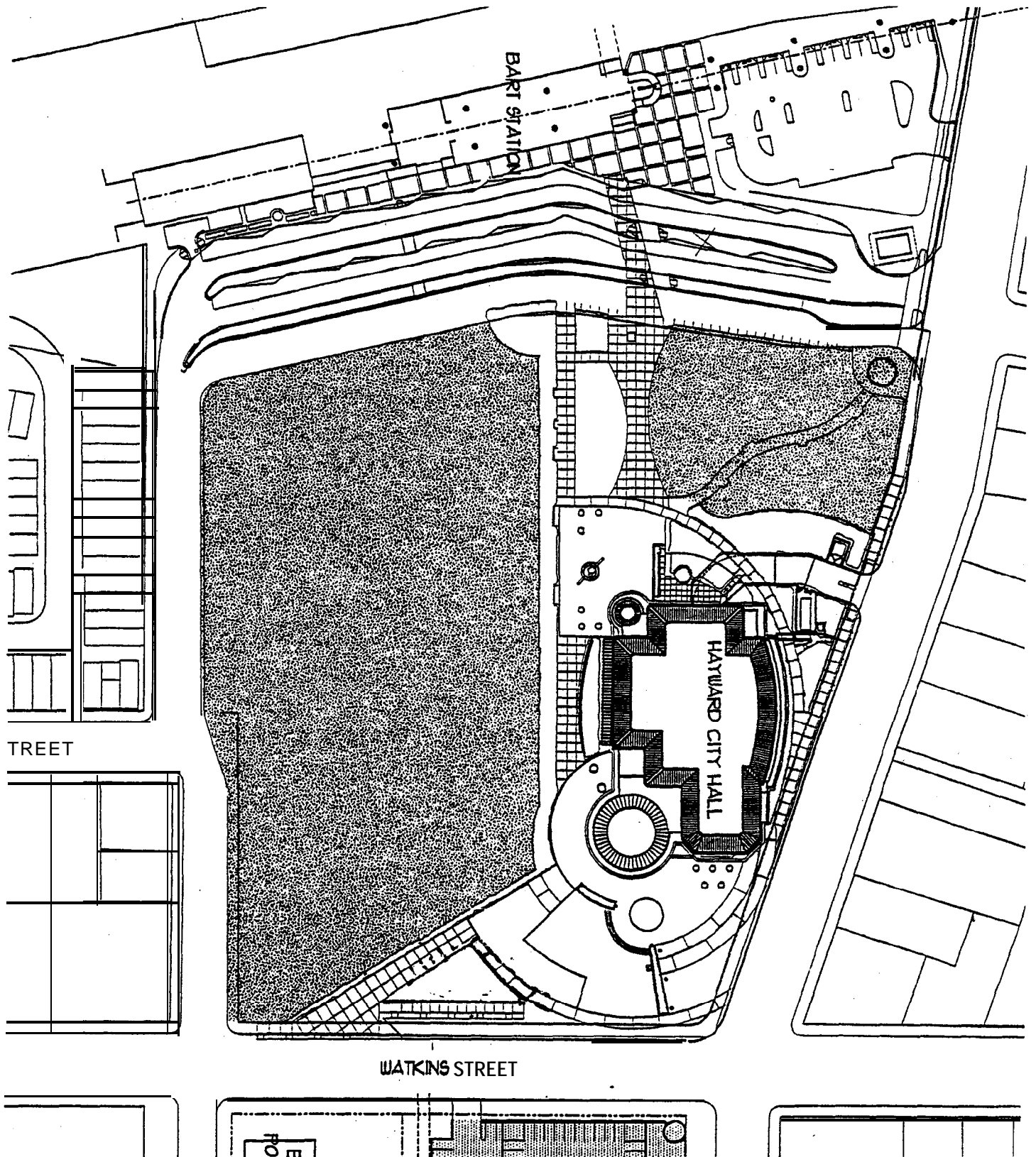
Approved by:



J e s u s Armas
City Manager



SITE II
Office and Residential
Mixed Use Development



HAYWARD CITY COUNCIL

RESOLUTION NO. _____

Introduced by Council Member _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
HAYWARD APPROVING THE TERMINATION OF THE
PROVISIONS OF THE DISPOSITION AND DEVELOPMENT
AGREEMENT EXECUTED ON APRIL 9, 1996, BETWEEN
THE REDEVELOPMENT AGENCY OF THE CITY OF
HAYWARD, AND HAYWARD CITY CENTER COMPANY,
LLC

WHEREAS, the Redevelopment Agency of the City of Hayward (the "Agency") is carrying out the Redevelopment Plan (the "Redevelopment Plan") for the Downtown Hayward Redevelopment Project (the "Project"), approved and adopted by the City Council of the City of Hayward (the "City") on December 30, 1975, by Ordinance No. 75029 C.S.; and

WHEREAS, the Agency and Hayward City Center Company, LLC, a California limited liability company (the "Developer"), executed a Disposition and Development Agreement (the "DDA") on April 9, 1996, providing for the redevelopment of certain real property within the Project on a site consisting of the properties described in the DDA as the Civic Center Parcel and the Housing Parcel; and

WHEREAS, the Developer has provided the Agency with a letter dated June 4, 1998, indicating an intent to terminate the DDA if the Agency is unable to tender conveyance of the housing parcel by July 3, 1998; and

WHEREAS, City Council, in its capacity as the Agency, agrees that it is appropriate to terminate the provisions in the DDA pertaining to the Agency's sale to Developer and development by Developer of the Housing Parcel; and

WHEREAS, the termination of the Housing Parcel provisions of the DDA was duly considered by the City Council and the Agency at the joint meeting of October 6, 1998;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hayward as follows:

1. That it does hereby acknowledge receipt of the Developer's June 4, 1998,

letter.

2. That it agrees to terminate those provisions of the DDA pertaining to the Agency's acquisition and sale to Developer of the Housing Parcel and the Developer's development of the Housing Parcel.

3. The Executive Director is hereby authorized and directed to take all actions necessary to carry out the provisions of this Resolution .

IN COUNCIL, HAYWARD, CALIFORNIA _____, 1998

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward

HAYWARD CITY CENTER COMPANY, LLC

393 Vintage Park Drive, Suite 100
Foster City, CA 94404
PH: (050) 378-2800

June 4, 1998

Mr. Jesús Armas
City Manager
City of Hayward
Redevelopment Agency
777 B Street
Hayward, CA 94541

RE: Disposition and Development Agreement ("Agreement") By and Between The
Redevelopment Agency of the City of Hayward and Hayward City Center
Company, LLC

Dear Jesús:

Pursuant to the Disposition and Development Agreement, we herein give notice of the intent of
the developer to terminate the Agreement pursuant to Section 510 thereof, if the Agency does not
tender conveyance of the housing parcel by July 3, 1998.

Very truly yours,

HAYWARD CITY CENTER COMPANY, LLC



Mark R. Kroll
Executive Vice President

MRK:mt

cc: Gordon Anderson
Jeffrey Birdwell

DRAFT

Sm 101-48

REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD

RESOLUTION NO. RA-____

Introduced by Agency Member _____

RESOLUTION APPROVING THE TERMINATION OF THE PROVISIONS OF THE DISPOSITION AND DEVELOPMENT AGREEMENT EXECUTED ON APRIL 9, 1996, BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD, AND HAYWARD CITY CENTER COMPANY, LLC

WHEREAS, the Redevelopment Agency of the City of Hayward (the "Agency") is carrying out the Redevelopment Plan (the "Redevelopment Plan") for the Downtown Hayward Redevelopment Project (the "Project"), approved and adopted by the City Council of the City of Hayward (the "City") on December 30, 1975, by Ordinance No. 75-029 C.S.; and

WHEREAS, the Agency and Hayward City Center Company, LLC, a California limited liability company (the "Developer"), executed a Disposition and Development Agreement (the "DDA") on April 9, 1996, providing for the redevelopment of certain real property within the Project on a site consisting of the properties described in the DDA as the Civic Center Parcel and the Housing Parcel; and

WHEREAS, the Developer has provided the Agency with a letter dated June 4, 1998, indicating an intent to terminate the DDA if the Agency is unable to tender conveyance of the housing parcel by July 3, 1998; and

WHEREAS, City Council, in its capacity as the Agency, agrees that it is appropriate to terminate the provisions in the DDA pertaining to the Agency's sale to Developer and development by Developer of the Housing Parcel; and

WHEREAS, the termination of the Housing Parcel provisions of the DDA was duly considered by the City Council and the Agency at the joint meeting of October 6, 1998;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hayward, acting as the Redevelopment Agency, as follows:

1. That it does hereby acknowledge receipt of the Developer's June 4, 1998, letter, a copy of which is attached and incorporated hereto as Exhibit A.

2. That it agrees to terminate those provisions of the DDA pertaining to the Agency's acquisition and sale to Developer of the Housing Parcel and the Developer's development of the Housing Parcel.

3. The Executive Director is hereby authorized and directed to take all actions necessary to carry out the provisions of this Resolution.

HAYWARD, CALIFORNIA _____, 1998

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST: _____
Secretary of the Redevelopment Agency
of the City of Hayward

APPROVED AS TO FORM:

General Counsel